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PP RUEHIK  
DE RUEHAH #1529 3311141  
ZNR UUUUU ZZH  
P 271141Z NOV 09  
FM AMEMBASSY ASHGABAT  
TO RUEHC/SECSTATE WASHDC 3810  
INFO RUCPDO/DEPT OF COMMERCE WASHDC PRIORITY  
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY  
RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE  
RUCNCIS/CIS COLLECTIVE  
RUCNMEM/EU MEMBER STATES COLLECTIVE  
RUEHAK/AMEMBASSY ANKARA 5931  
RUEHBJ/AMEMBASSY BEIJING 3633  
RUEHKO/AMEMBASSY TOKYO 3492  
RUEHIT/AMCONSUL ISTANBUL 4173  
RUCNDT/USMISSION USUN NEW YORK 1271  
RHMCSUU/CDR USCENCOM MACDILL AFB FL  
RUEHVEN/USMISSION USOSCE 4125  
RUEAIIA/CIA WASHDC  
RHEFDIA/DIA WASHDC  
RHEHNSC/NSC WASHDC  
RUEKJCS/SECDEF WASHDC  
RUEKJCS/JOINT STAFF WASHDC

UNCLAS ASHGABAT 001529

SENSITIVE  
SIPDIS

STATE FOR SCE/CEN; EEB  
COMMERCE FOR EHOUSE

E.O. 12958: N/A  
TAGS: [EIND](#) [BTIO](#) [EFIS](#) [EINV](#) [PGOV](#) [TX](#)  
SUBJECT: CHEVY AND DAEWOO CARS IN TURKMENISTAN

REF: ASHGABAT 1153

11. Sensitive but Unclassified. Not For Public Internet.

12. (SBU) SUMMARY: Turkmenistan's Ministry of Commerce entered a joint venture with an Uzbek private businessman who sells General Motors/ UZ-Daewoo cars in Ashgabat. A reported agreement between the Turkmen and Uzbek Presidents initiated the joint venture. The Damas mini-van unexpectedly outsells the Nexia sedan in Turkmenistan. The joint venture's sales target is a modest 100 vehicles for 2009. The joint venture plans to introduce other Chevy and Daewoo models in the future and establish dedicated showrooms. UZ Daewoo is hopeful that Turkmenistan may turn into a sleeper market, and that it might be able to woo the Turkmen state-owned gas and oil companies which currently buy Volkswagon Touregs. END SUMMARY.

13. (SBU) General Motors/UZ-Daewoo founded its joint venture with the Turkmen Ministry of Commerce-owned firm called "Turkmenistan" in 2008. The General Manager of the UZ-Daewoo JV in the Turkmen capital noted the company's leading position in sales of sedans to private owners. She added that IPC Motors currently provides mostly Volkswagons to the Turkmen state-owned oil and gas companies, and hoped that her company would compete with IPC in the future (reftel). She asserted the joint venture was the creation of Turkmen President Berdimuhamedov and Uzbek President Karimov, while mentioning the major backer of the venture is a Mr. Inoyatov, who owns the Uzbek portion of the venture and reportedly runs things behind the scenes.

14. (SBU) Turkmen consumers puzzled UZ-Daewoo market analysts as the firm hoped to sell more Nexia sedans, but Turkmen customers bought more Damas mini-vans. Small and mid-sized entrepreneurs have reportedly praised the price and quality of the Damas, adding that the vehicle has sufficient cargo space perfect for small business owners. UZ-Daewoo's Matiz hatchback also saw a surge in interest over recent months. According to the UZ-Daewoo rep, the joint venture plans to sell at least 100 vehicles in 2009.

¶5. (SBU) Traditionally, "back-pack" businessman flood Turkmen Sunday bazaars with cheaper, new and second-hand vehicles from UAE car traders. Analysts believe that carmakers with showrooms in Turkmenistan today represent about 6.3 percent of the local car market, but that percentage will increase as more Turkmen learn about showrooms. The joint venture rep stated that there are plans to open showrooms in Ashgabat which would feature the Chevy Lacetti, Captiva and Apica, with the hope of attracting car-savvy customers, who prefer quality and guarantees to "a cheap price for a cheaply made car at the Sunday bazaar."

¶6. (SBU) COMMENT: The appearance of UZ-Daewoo cars with complete sticker information and Chevy and Daewoo logos on Ashgabat streets has not gone unnoticed. The joint venture is trying not only to bring new vehicles into Turkmenistan, but also to change the way Turkmen have generally purchased cars. END COMMENT.

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